ADVANCED DATA SYSTEMS CORPORATION
INNOVATION & EXCELLENCE IN HEALTHCARE SYSTEMS SINCE 1977

Case Study

PRIME CARE MEDICAL

Prime Care Medical, P.C., a large multi-specialty group located in the North Brunswick, New Jersey, metro area, has 9 physicians who see more than 400 patients a day in five clinics.

Dr. Rossi, M.D., President and Medical Director, says electronic health records (EHRs) have allowed him and his colleagues to provide better patient care than traditional paper medical records.

CHALLENGES

When Prime Care Medical first considered an EHR system, it wanted to eliminate the inefficiencies and costs of paper medical records. With physicians practicing from different locations, it was often difficult to access paper records when they were needed most. Paper records were hard to read, sometimes containing incomplete information and needed to be better organized, Dr. Rossi said. Transcription costs were high, and filing paper charts was time consuming.

The practice realized that an EHR system could help improve efficiency, patient safety (i.e., adverse drug events), chronic and preventive care, compliance with guidelines, real-time decision support, availability of clinical information, reduce costs, and enable the practice to grow. At the same time, the practice was aware that the federal government was calling for all Americans to have an electronic health record by 2014, and it wanted to be ahead of the curve.

"With ADS, we have gotten the best of both worlds: a superior product and the company to back it up! ADS provided us with top notch training and continues to provide excellent ongoing support and service. And the transition from a paperless environment was more effortless than we ever imagined.

Dr. Rossi, Prime Care Medical

SOLUTION

After exploring several EHR systems, Prime Care Medical selected Medics DocAssistant EHR from Advanced Data Systems, which is CCHIT Certified for 2008. The system enabled staff to eliminate "Defensive Down-Coding" increasing consistency of insurance claims. Thus ensuring complete documentation of services which reduced their risk and the number of claims rejected. They perform a complete set of services while capturing all appropriate charges automatically. A reduction in revenue cycle improved cash flow and increased collections. Improvements in physician decision making reduced the potential for errors and improved patient satisfaction. The efficiency of patient flow increased the number of visits per day. Whereby, an accelerated number of exam rooms are available, increasing the number of visits per day. Streamlined physician workflow also contributed to an increase in the number of patients per physician per day. Simplified HIPAA and audit compliance limited the number of resources required. They reduced supply and overhead costs. Staff satisfaction reduced churn and improved personal interactions with patients. Participation in clinical research trials is providing an additional revenue stream without additional investment. They are launching proactive treatment campaigns that improve quality of care and support growth initiatives. The overall key performance metrics are easily measured to ensure the highest levels of patient care and financial performance.

The implementation took less than three months and the physicians all began using the system at once. When converting from paper to electronic charts, the practice scanned in medical information on an as-needed basis, including relevant data for episodic visits and the entire chart for a complete physical. The staff can quickly and efficiently deliver phone messages, prescription refill requests, lab results and more to physicians. Now, when a patient registers, the receptionist uses a scanner to capture information that comes in a paper format—insurance cards, driver's licenses and signatures to reduce paper. During the exam, the physicians use four to five exam templates that enable point-and-click, voice, text and handwriting recognition to document. An electronic bill automatically tracks diagnosis, medications, and lab results for use with the billing system. Electronic prescribing capabilities allow physicians to send prescriptions to the pharmacy while a patient is still in the exam room. Physicians can automatically send or print prescriptions, lab orders and referrals with the click of a button.

"Using an EHR has made me a much better doctor, which is why I think it should be seen as a necessary cost of doing business," said Dr. Rossi. "I would encourage other physicians to evaluate products that are CCHIT Certified and talk to other doctors who use EHRs to decide which system would best fit their needs."

RESULTS

Prime Care Medical has achieved the following results through the use of its EHR:

Increased physician productivity

- 10.3->14.1 patient visits per hour for a 9 physician practice
- Increase # of Patients by 40%

Decreased transcription costs

- $5K - $17K per doc
- Faster turn-around

Increased billings

- Increases of $2K/doc -> $38K/doc
- More visits, higher charges/visit, no lost charges, reduced denial rate
- Increased reimbursements 3%-5%
- Increased Average Claims per visit 23%

Redesign/Re-engineering staff workflow

- Savings of $27K for 9 physician group($3K/doc)
- Reduced code time by 88%
- Reduced Chart Pulls 100%

Enhanced Productivity and Efficiencies

- **Chart Management**
  - Searches
  - Storage
  - Folder Purchase

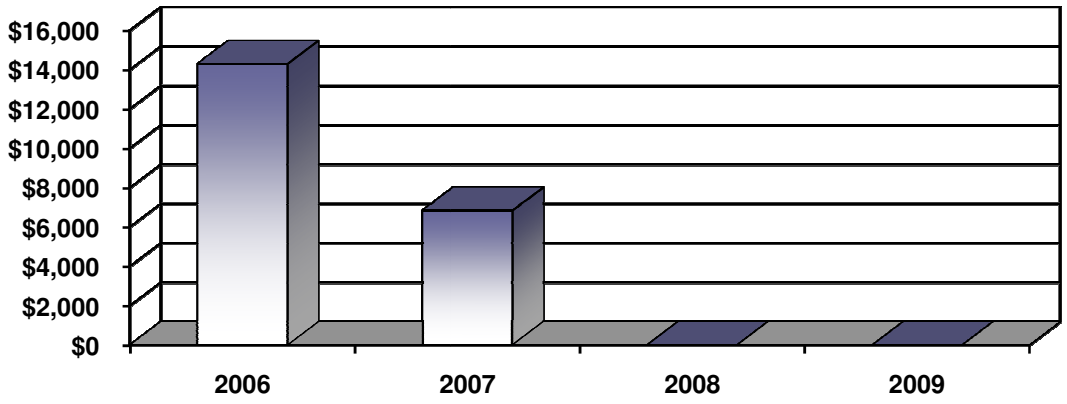
Prescription Refills

- Decrease refill and dispute times 50%-65%

Chart Pulls

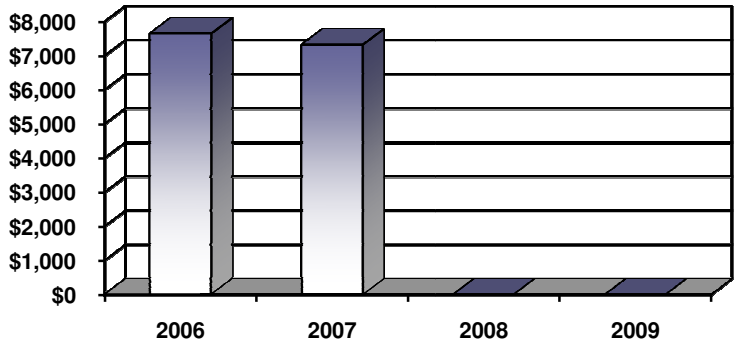
- **Pre EMR**
  - Charts Pulled Per Appointment, Prescription Refill Request and Phone Message
  - Charts Could be Found in Medical Records, Doctors' Offices, Doctors' Boxes, Administration Office and Other Locations
- **Average Amount of Time Per Chart Pull for Appointments Was 7 Minutes**
- **Average Time to Pull a Chart and Contact a Patient for Prescription Refills Was 15 Minutes**
- **Costs Calculation**
  - Average Hourly Salary for the Applicable Role
  - Divided by 60 Minutes in the Hour
  - Multiplied by Amount of Time for Activity
  - Subtracting What "Might Have Been"
  - Returned Cost / Savings Estimate

Reduction in Chart Pulls Costs For Appointments



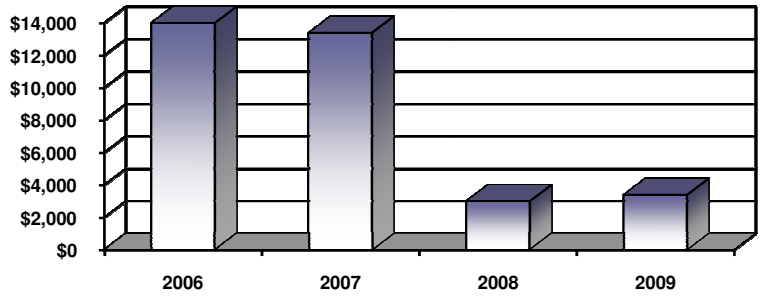
84% of Patient Visits Are Return Visits
Pre-EMR - Patient Charts Were Pulled for Every Return Visit
By 2007, Approximately Half the Volume of Charts Were Pulled
By 2008, Charts Were No Longer Pulled Unless Absolutely Necessary
Costs = $1.52 / Chart Pulled
 # Potential Charts That Could Have Been Pulled Since 2006 = 29,848
Estimated Savings: $45,369

Reduction in Chart Pulls Costs For Phone Messages



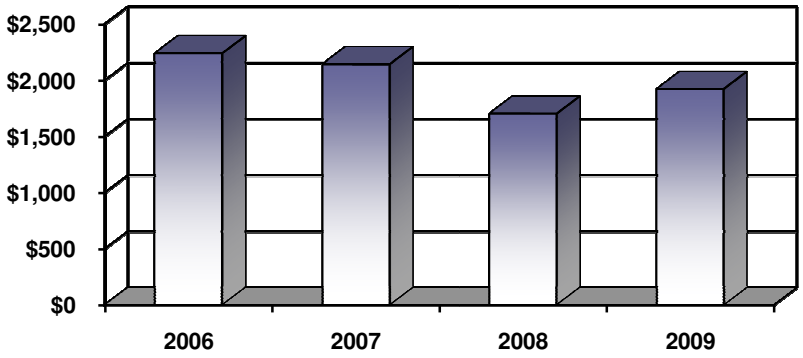
45% of Patient Visits Result in at Least 1 Phone Call
Pre-EMR - Patient Charts Were Pulled for Every Phone Call
By 2008, Charts Were No Longer Pulled Unless Absolutely Necessary
Cost = $1.58 / Chart Pulled
 # Potential Charts That Could Have Been Pulled Since 2006= 13,582
Estimated Savings: $21,460

Reduction in Costs For Rx Refills



Approximately 37% of Patient Visits Result in a Request for a Prescription Refill
Pre-EMR: Approximately 15 Minutes Needed Per Request to Pull Chart and Contact Patient
By 2008/2009: Approximately 3 Minutes Needed Per Request
Pre-EMR: Prescription Refills = $3.38 / Request
By 2008: Rx Refills = $0.68 / Request
Estimated Savings: $25,326

Reduction in Chart Folder Costs



16% of Patient Visits Are New Patient Charts Requiring a Chart Folder
Between 2007 and 2008, Chart Folder Cost Reduced
With EMR: 2007 to 2008 Expense: $3,622
Pre-EMR: From 2006 Potential Costs: $6,036
Chart Costs Decreased by 21%
Estimated Savings: $2,414

Reduction in Chart Storage Costs
64 Hours / Year (4 people x 16 hours each)
Done on Weekend So Overtime Paid
30% of Charts Stored Each Year
Average Cost to Store Charts: $4,822 per Year

- Labor: $1,272
- Boxes: $350
- Microfiche: $3,200

Estimated Savings Between 2006 to 2008: $9,644

Overall Savings and Expenses

	2006	2007	2008	2009	2010
	Year 1	Year 2	Year 3	Year 4	Year 5
Chart Pulls – Appt	$0.00	$6,835	$18,109	$20,424	$22,671
Chart Pulls – Phone	$0.00	$0.00	$9,702	$10,942	$12,146
Rx Refills	$0.00	$0.00	$11,902	$13,424	$14,901
Chart Folders	$0.00	$0.00	$1,134	$1,280	$1,421
Chart Storage	$0.00	$0.00	$4,822	$4,822	$4,822
Transcription	$0.00	$24,242	$30,150	$30,150	$31,000
Charting vs. Coding	$0.00	($4,818)	$25,531	$28,794	$31,961
Net Savings	$0.00	$26,259	$103,256	$109,836	$118,922
Year to Date Savings	**$0.00**	**$26,259**	**$129,515**	**$239,351**	**$358,273**
Implementation, Hardware & Software	$250,000				
Support & Maintenance		$14,000	$17,000	$17,000	$17,000
Expenses to Date	**$250,000**	**$264,000**	**$281,000**	**$298,000**	**$315,000**

Year 4 and 5 Based on
11% Projected Growth Rate per Year

Saved 44 staff hours/day and 11,968 hours/year.

Eliminated $934/day and $253,978/year in the areas of chart pulls, new patient chart generation, missing chart searches, transcription, lab result handling, referral letters, and medical chart supplies.

Total cost savings in chart handling equaled $29,920/year.

Total cost savings in medical clerk wages equaled $9,474/year.

Total cost savings for file clerk and receptionist $116,456/year.

Total cost in nurses wages for lab result handling $31,008/year.